

**COMMON MARKET FOR EASTERN
AND SOUTHERN AFRICA**



FINAL REPORT

**ON THE STUDY AND WORKSHOP ON THE HARMONISATION
OF COMESA COUNTRIES' AGRICULTURAL POLICIES
AND COMESA AGRICULTURAL STRATEGY**

BACKGROUND

1. The economies of the Common Market for Eastern and Southern Africa (COMESA) member States are agriculturally driven. Agriculture being the backbone of the economies of these countries, it was found prudent to foster co-operation in this field of economic activity amongst COMESA member States. Agriculture contributes more than 32% of GDP, employs about 80% of the active labour force and accounts for about 65% of foreign exchange earnings in the member countries of COMESA. It also contributes more than 50% of the raw materials to the industry sectors of many member countries. The objectives of agricultural co-operation within the Common Market for Eastern and Southern Africa are : the achievement of sub-regional food security through production and increased food and agricultural trade; the rationalization of the production process with the view of promoting complementarity, specialization and sustainability of national agricultural programmes; the alleviation of poverty; and the stimulation of the industrialization process as agricultural development and industrialization are complementary and mutually reinforcing.

2. However, the performance of the agricultural sector within the COMESA countries has been on the decline. COMESA countries' agricultural sector is at a crucial crossroads and is in a state of crisis in many countries. The symptoms of the crisis are evident, but only cosmetic action is taken to deal with the root causes of these symptoms. Production and returns derived from the region's agricultural, fisheries, and forest resources fall short of the needs of a rapidly expanding population and for national economic development. As the largest employer, agriculture needs to be transformed ,such that production and incomes derived from it, are able to spur economic development through savings which can be invested elsewhere in the economy, thereby creating employment away from agriculture. The problems of poverty, however, cannot be solved exclusively within agriculture, because this sector alone cannot provide enough employment and incomes.

3. Of the world's principal agricultural regions, only Africa has witnessed a decline in per capita food production, mainly due to the following seven contributing factors: very unfavourable climatic factors (droughts and floods); very unfavourable terms of trade; very high population growth rates; relatively small increases in yields of both staple food crops and cash crops and low off-take rates of livestock; civil strife and wars; the urban-rural terms of trade still favour movement to the city in many COMESA countries; and the low level of investment in the sector. These continent wide problems have not spared the COMESA region either. Food self-sufficiency, measured as the ability of domestic production to meet demand in all cereals has declined from the 1970s level. Many member States had set food self-sufficiency targets within their agricultural development plans, in an attempt to boost production and reduce reliance on imports without much success.

4. Food security, which includes the ability of the economy to pay for needed food imports, has proved elusive in a majority of cases. Balanced food security strategies of member countries will therefore, have to involve the use of national comparative advantage, regional and international trade, tightly run food reserves and other national and international arrangements to meet food supplies and ensure consistent access by all. The only way to counter act this decline in agricultural productivity, is to put in place policies and strategies that will enhance the productivity of the agricultural sector. These policies and strategies should derive their strength, from the comparative advantage of each COMESA member State. Without this inward and outward looking approach, the region will not achieve its desired goal of food self-sufficiency and increased agricultural trade, hence the inclusion of agricultural cooperation in the COMESA Treaty as shown below.

5. Article 129 of the COMESA Treaty states the objectives of co-operation in agricultural development as follows:

“The overall objectives of co-operation in the agriculture sector are the achievement of regional food security and rational agricultural production within the Common Market. To this end, the member States undertake to adopt a scheme for the rationalization of agricultural production with a view to promoting complementarity and specialization in and sustainability of national agricultural programmes in order to ensure:

- (a) **a common agricultural policy;**
- (b) regional food sufficiency;
- (c) an increase in the productivity of crops, livestock, fisheries and forestry for domestic consumption, exports within and outside the Common Market and as inputs to agro-based industries; and
- (d) replacement of imports on a regional basis”

6. Article 130 which specifies the areas in co-operation in agricultural development says that the member States undertake to co-operate in specific fields of agriculture including:

- (a) **the harmonisation of agricultural policies of the member States with a view to having a common agricultural policy;**
- (b) research, extension and the exchange of technical information and experience;
- (c) agro-meteorology and climatology;
- (d) the production and supply of food stuffs
- (e) the co-ordination of the export and import of agricultural commodities;
- (f) the co-ordination of bulk purchases of essential agricultural inputs;

- (g) the control of animal and plant diseases and pests;
- (h) the development and utilisation of land and water resources, particularly shared river and lake basins;
- (i) the exploitation and surveillance of the exclusive economic zones with regards to marine fisheries development; and
- (j) the marketing and stabilisation of prices of agricultural commodities bearing in mind internal agricultural and exchange rate policies in individual member countries.

7. On a continental level, under the auspices of the OAU then, a number of actions were taken with the view of resuscitating the declining African economies. The Lagos Plan of Action (LPA) and Africa's Priority Programme for Economic Recovery (APPER), two closely related policy statements aimed at guiding recovery and development efforts in Africa. The LPA, adopted in 1980, provided an outline for establishing better balance among sectors in development investment, in fostering regional economic ties, and in directing financial flows. In APPER, adopted in 1985, African countries re-emphasized the need to accelerate implementation of the LPA and laid down a five-year orientation for the programming of economic recovery and development that addressed the crises faced by their economies. It accorded highest priority to the agricultural sector. Governments committed themselves to cooperate in the "Special Programme of Action for Improvement of the Food Situation and the Rehabilitation of Agriculture in Africa". A commitment was made by African Heads of State and Government to increase agriculture's share in total public investment to between 20 and 25 percent by 1989.

8. Faced by this predicament of the ever deteriorating agricultural production situation and realizing the importance of rational agricultural production and complementarity among COMESA member States, the COMESA Secretariat in 1998, approached the UNDP, through the Perez-Guerrero Trust Fund to fund a study on the harmonization of agricultural policies of the COMESA member

States, with a view to having a Common Agricultural Policy (CAP). The funding was subsequently approved in March, 1999. However, the amount granted was not enough to carry out an exhaustive study and its release was only done in March, 2001. The COMESA Secretariat then, approached the FAO for Technical Assistance to augment the UNDP funds. The FAO TCP funds were approved in February, 2002.

9. Under the Perez-Guerrero Trust funds the terms of reference of the study were:

- a) to look at the current agricultural marketing policy in each COMESA country, with special emphasis on the role played by the public sector, the private sector, whether there were export subsidies and export taxes, the level of domestic support to the agricultural industry and the accessibility of its domestic market by other COMESA countries;
- b) to look at the current output pricing policy in each COMESA country, with emphasis on how prices are determined, whether government or market forces determined or negotiated between farmers' associations and government;
- c) to look at current agricultural inputs pricing policy, with specific reference to whether locally manufactured or wholly imported, how pricing mechanism is arrived at, and the level of domestic support;
- d) to look at current agricultural credit policy (rural finance) in terms of availability, interest rates, lending criteria and accessibility by women farmers;
- e) to look at the existing land reform and tenure policy in terms of land accessibility by women ,they are conducive to increased investment, and density of population/ square kilometer;
- f) to look at the existing research and extension policy in terms of capacity level and ratio, biotechnology generation and transfer, level of

- mechanization ,level of funding and whether public or privately funded, and whether cost recovery oriented;
- g) to look at irrigation development policy in terms of current area under irrigation, irrigable land available, water availability, water rights administration and riparian States water rights;
 - h) to look at women and agricultural policies in terms of land accessibility by women, credit availability to women and socio-cultural constraints;
 - i) to look at the food and food security policy in terms of the criteria used ,whether self-sufficiency, production and imports, production and food aid, imports and food aid and maintenance of strategic reserves;
 - j) to look at the sanitary and phytosanitary measures policy in terms of capacity to monitor diseases and pests outbreaks, capacity to deal with such outbreaks, risk assessment and management, procedures of certification and the major animal and crop diseases and pests in the country;
 - k) to look at the environmental and natural resources policy in terms of soil conservation measures, wildlife management and protection ,forestry management and water pollution management;
 - l) to look at rural development policy in terms of the provision of infrastructure, health and education, poverty alleviation measures, socio-cultural amenities and farm labour welfare; and
 - m) to look at fisheries management and development policy both freshwater and marine, in terms of investment and management, quality assurance protocols and infrastructure development, aquaculture development and credit availability.
10. The FAO sponsored study's terms of reference were:
- a) to assemble all materials relating to government policies, legislation, and programmes pertaining to agricultural policies, focusing particularly on those having an impact on regional and international trade;

- b) to collect primary information through discussion with relevant government authorities, private traders, chambers of commerce, farmers' associations and other relevant sources of information on the policy, legal, technical, etc. constraints faced in export/import of agricultural commodities and inputs, particularly among the COMESA countries;
- c) to assess the level of compliance of the country with the COMESA trade agreement, as well as the WTO Agreement on Agriculture and other agreements (regional, preferential);
- d) to identify the areas that need government intervention to address the non-compliance problems identified, as well as to ensure overall promotion of safe and fair trade with other COMESA member countries and beyond; and
- e) to prepare a draft report detailing out the policy, legislation, and other constraints impeding agricultural trade from playing an important role in the country's economic development and the achievement of household and national food security;

11. The terms of reference of the two studies were in line with the above mentioned COMESA Treaty provisions and sought to improve agricultural production and trade both within and outside the COMESA region. The issue of production is paramount for food security, poverty alleviation and sustained intra and extra regional trade. The studies culminated in a combined workshop held at Kampala, Uganda from the 30th – 31st October, 2002.

12. This report, will specifically focus on the study under the Perez- Guerrero Trust Fund which began in September, 2001 which was to involve all twenty COMESA member States, however, only nine (9) countries provided country consultants to carry out the study. These countries were: Congo D R; Egypt; Eritrea; Ethiopia; Kenya; Mauritius; Seychelles; Uganda; and Zambia. The study under FAO funding which started in March, 2002, covered sixteen countries.

These were; Burundi, Congo D R, Egypt, Eritrea, Ethiopia, Kenya, Madagascar, Malawi, Namibia, Rwanda, Sudan, Swaziland, Seychelles, Uganda, Zambia and Zimbabwe.

Workshop Findings

13. The workshop participants were informed of the objectives of agricultural cooperation, the main areas of cooperation, the constraints, and the challenges facing the agricultural sector within the COMESA setting. Further, the workshop participants were also informed of the expected outputs of the workshop. The aim of this intervention was to try and focus the attention of participants during their deliberations. To further, assist the participants so that they come up with succinct policy recommendations, the need for a common agricultural policy, its objectives and objectives of policy interventions were adequately explained.

14. The workshop made recommendations as reflected in the attached proceedings of the regional workshop on the COMESA agricultural strategy and common agricultural policy report.

The Way Forward

15. One aspect which was clear at the outset, was that consultants tasked to carry out country studies did not consult adequately at country level, as some government personnel pointed out, and that it was difficult to agree with country positions portrayed by the consultants. **That a workshop was held to discuss both policy harmonisation and agricultural strategy development, is not the end in itself, but the beginning of their development process until policies are harmonised and a strategy developed.** In order to expedite the harmonisation of the Agricultural Policies and development of a COMESA Agricultural Strategy, it is recommended as follows:

- (a) Using the workshop report and the working documents, country positions on the Common Agricultural Policy and COMESA Agricultural Strategy be developed;**
- (b) Each COMESA country to set up a Committee comprising all key stakeholders in the agricultural sector to spearhead the exercise;**
- (c) Two national workshops on the same to be held with the assistance of COMESA;**
- (d) National workshops reports to be availed to the COMESA Secretariat for consolidation;**
- (e) Two regional workshops to be held regarding the development of both a Common Agricultural Policy and a COMESA Agricultural Strategy; and**
- (f) The FAO , UNDP or any other interested donor to be approach for financial and technical assistance in this matter.**

16. The past, needs to be used as the barometer for the development of the COMESA common agricultural policy, in order to ensure its acceptability and implementation by COMESA countries. The top down approach is not conducive to an acceptable agricultural policy development. All COMESA member States were members of the Organization of the African Union (OAU) now African Union (AU). Under the Lagos Plan of Action (LPA) adopted in 1980, and the Africa's Priority Programme for Economic Recovery (APPER) adopted in 1985, two closely related policy statements aimed at guiding recovery and development efforts in Africa, accorded highest priority to the agricultural sector. **A commitment was made by African Heads of State and Government to increase agriculture's share in total public investment to between 20 and 25**

percent by 1989, however almost 18 years later the maximum public investment in agriculture is less than 10 percent. The Food and Agriculture Organization of the United Nations (FAO), has over the years assisted African countries revamp their agricultural sector without much success. The New Partnership for African Development (NEPAD), has as one of its commitment, the revamping of the African agricultural sector.

17. The truth of the matter is, agricultural productivity on the continent in general and in COMESA in particular, is on a serious declining trend, unless something drastic is done to arrest this decline. **This something, is a conducive agricultural policy and appropriate strategy. The aim of a national agricultural policy should be to move farmers from the subsistence to the commercial level. Therefore, in developing an agricultural policy at both national and regional levels farmers and the agribusiness need to be brought on board.** The decline of this sector, means **the fall of the quality of life of 80 percent of the active COMESA population, which means only twenty percent of the COMESA population will be active players in the Common Market, leading to the worsening of poverty within the region.** This will therefore, defeat the very noble objective of the Common Market for Eastern and Southern Africa, that of uplifting the standards of living of the people of the region.

18. It is therefore, important that the development of an agricultural policy be holistic and involve all stakeholders. Proper policy development, will ensure that countries direct their efforts and resources towards sustainable agricultural production and development that leads to economic development and growth. Governments will be there, to guide and facilitate ,while farmers, agro-processors, and traders will be embarking on the least cost and profitable way of production and merchandising. That way, assures the sustainability of the agricultural sector, leading to increased food security and agricultural trade within the region.